

MINUTES OF REGULAR MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, March 15, 2012

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

The Board of Directors of Sonterra Municipal Utility District (the "District") held a regular meeting, open to the public, at 9:00 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 15th day of March, 2012, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Bill Gravell	President
Erma Wedge	Vice President
William Frymire	Secretary
Trisha Allen	Treasurer
David Chandos	Assistant Secretary/Treasurer

and all of said persons were present (except Director Allen initially), thus constituting a quorum. Also in attendance were Andy Bilger; Michael Luft of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Mike Robinson of Baker-Aicklen and Associates, Inc.; Isabel Fiebrich; Annie Napoli; Theron Vaughan; Angela Rubottom from West View Financial Consulting; and Ronald J. Freeman of Freeman & Corbett.

1. First, the Board received citizen's communications. Ms. Napoli stated she had concerns about the behavior of children at the District's recreation center. No action was taken by the Board.

2. Next, the Board considered the minutes of the Board's February 16, 2012 meeting. Director Frymire made a motion to approve the minutes subject to revisions on page one regarding who was present at the meeting. Director Chandos seconded the motion, which the Board passed unanimously. Director Allen entered the meeting at this time.

3. The Board then considered the Utility Operator's Report. Mr. Anderson gave a brief update on the status of facilities and services within the District.

4. Next, Mr. Luft then presented a list of bills and invoices to the Board. Director Frymire made a motion to approve the bills and invoices on the list as recommended by Mr. Luft, plus six supplemental checks. Director Chandos seconded the motion, which the Board passed unanimously. Copies of the list of bills and invoices are attached as exhibits to these minutes.

5. The Board then considered an investment proposal from Municipal Accounts & Consulting. Mr. Luft explained the proposal to the Board. After discussion, upon a motion by Director Frymire and a second by Director Allen the Board voted unanimously to table this item.

6. The Board then discussed its contract with Municipal Accounts & Consulting. After discussion, upon a motion by Director Allen and a second by Director Frymire the Board voted unanimously to table this item.

7. The Board then considered the Developer's Report. Mr. Vaughan briefly updated the Board on the status of development within the District.

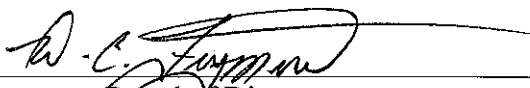
8. Next, the Board considered the Engineer's Report. Mr. Robinson gave a brief update on the status of the District. No action was taken by the Board.

9. Next, the Board discussed the rate study report. Mr. Bilger explained the rate study report to the Board. After discussion, Director Wedge made a motion to increase the District's base water rate from \$21.00 to \$23.00 as recommended by the rate study and to implement the other changes to the rates as recommended in the study, effective for the meter readings on or about May 20, 2012. Director Frymire seconded the motion, which the Board passed unanimously.

11. The Board then considered pool expenses. Mr. Bilger presented a list of currently estimated expenses to ready the pool for summer use. After discussion, Director Gravel made a motion to approve the pool expenses as contemplated by Mr. Bilger in an amount not to exceed \$20,000. Director Wedge seconded the motion, which the Board passed unanimously.

12. Director Gravel then made a motion, which was seconded by Director Wedge, to reconsider the investment proposal from Municipal Accounts & Consulting. The motion was unanimously approved. The Board then reconsidered the investment policy from Municipal Accounts & Consulting, L.P. After discussion, Director Gravel made a motion to approve the Investment Policy. Director Wedge seconded the motion, which the Board passed unanimously. A copy of the proposal is attached to these minutes.

There being no further business to come before the Board, the meeting was adjourned at approximately _____ a.m.


Secretary, Board of Directors

(SEAL)